

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS  
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT Planning and Building	(2) MEETING DATE 10/27/2015	(3) CONTACT/PHONE Rob Fitzroy, Supervising Planner / (805) 781-5179	
(4) SUBJECT Hearing to consider amendments to the Agriculture Element and the Conservation and Open Space Element of the General Plan; amendments to Title 8 (Health and Sanitation Code), Title 19 (Building and Construction Ordinance), and Title 22 (Land Use Ordinance) of the County Code in order to implement the Water Neutral New Development and Water Waste Prevention components of the proposed Countywide Water Conservation Program (CWWCP); Ordinance 3274 (County Fee Schedule) to establish new fees associated with the implementation of the proposed CWWCP; and the Position Allocation List for Fund Center 142 – Planning and Building to amend one limited-term Planner I – III position to extend to December 31, 2019. All Districts.			
(5) RECOMMENDED ACTION It is recommended that the Board: <ol style="list-style-type: none"> <li>1. Certify the Final Supplemental Environmental Impact Report (FSEIR), including Appendices;</li> <li>2. Adopt the resolution in Attachment 1 for the general plan amendments in Attachment 1, Exhibits B and C, and the ordinances in Attachment 1, Exhibits D, E, F, and G, and the programs in Attachment 1 Exhibit H and I to established a Countywide Water Conservation Program; and</li> <li>3. Approve and instruct the Chairperson to sign the resolution amending the Position Allocation List for the Planning and Building Department to:                         <ol style="list-style-type: none"> <li>a. Amend one limited-term Planner I-III position that will expire on December 17, 2015 to December 31, 2019.</li> </ol> </li> </ol>			
(6) FUNDING SOURCE(S) Fees, General Fund, and Flood Control District	(7) CURRENT YEAR FINANCIAL IMPACT \$107,084	(8) ANNUAL FINANCIAL IMPACT \$214,168	(9) BUDGETED? Yes
(10) AGENDA PLACEMENT <input type="checkbox"/> Consent <input type="checkbox"/> Presentation <input checked="" type="checkbox"/> Hearing (Time Est. <u>210 min.</u> ) <input type="checkbox"/> Board Business (Time Est. <u>    </u> )			
(11) EXECUTED DOCUMENTS <input checked="" type="checkbox"/> Resolutions <input type="checkbox"/> Contracts <input type="checkbox"/> Ordinances <input type="checkbox"/> N/A			
(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) N/A		(13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: <input type="checkbox"/> 4/5 Vote Required <input checked="" type="checkbox"/> N/A	
(14) LOCATION MAP N/A	(15) BUSINESS IMPACT STATEMENT? No	(16) AGENDA ITEM HISTORY <input type="checkbox"/> N/A    Date: <u>3/4/14, 5/20/14, 2/3/15, 2/24/15, 7/21/15 &amp; 10/6/15</u>	
(17) ADMINISTRATIVE OFFICE REVIEW Lisa M. Howe			
(18) SUPERVISOR DISTRICT(S) All Districts			

**County of San Luis Obispo**



TO: Board of Supervisors

FROM: Planning and Building / Rob Fitzroy, Supervising Planner / (805) 781-5179

VIA: Planning and Building / Trevor Keith, Deputy Director / (805) 781-1431  
Human Resources / Tami Douglas-Schatz, Director / (805) 781-5960

DATE: 10/27/2015

SUBJECT: Hearing to consider amendments to the Agriculture Element and the Conservation and Open Space Element of the General Plan; amendments to Title 8 (Health and Sanitation Code), Title 19 (Building and Construction Ordinance), and Title 22 (Land Use Ordinance) of the County Code in order to implement the Water Neutral New Development and Water Waste Prevention components of the proposed Countywide Water Conservation Program (CWWCP); Ordinance 3274 (County Fee Schedule) to establish new fees associated with the implementation of the proposed CWWCP; and the Position Allocation List for Fund Center 142 – Planning and Building to amend one Limited Term Planner I – III position to extend to December 31, 2019. All Districts.

**RECOMMENDATION**

It is recommended that the Board:

1. Certify the Final Supplemental Environmental Impact Report (FSEIR), including Appendices;
2. Adopt the resolution in Attachment 1 for the general plan amendments in Attachment 1, Exhibits B and C, and the ordinances in Attachment 1, Exhibits D, E, F, and G, and the programs in Attachment 1 Exhibit H and I to established a Countywide Water Conservation Program; and
3. Approve and instruct the Chairperson to sign the resolution amending the Position Allocation List for the Planning and Building Department to:
  - a. Amend one limited-term Planner I-III position that will expire on December 17, 2015 to December 31, 2019.

**DISCUSSION**

**Summary**

Water levels in groundwater basins and surface lakes and reservoirs throughout the County have been in decline for over a decade, and the current “exceptional drought” has exacerbated this decline. Your Board has declared that certain groundwater basins in the County have reached a Level of Severity (LOS) III, which indicates that groundwater demand has met or exceeded the dependable supply.

On March 4, 2014, your Board authorized the Department of Planning and Building to propose several amendments to the County General Plan and County Codes with the objective of developing a Countywide Water Conservation Program (CWWCP) that substantially reduces groundwater extraction in groundwater basins that have been certified LOS III, provides a mechanism to allow new development and new or altered irrigated agriculture to proceed in certified LOS III areas, and reduces the wasteful use of water in the county.

The intent of this hearing is for your Board to review, deliberate, and act on the proposed amendments associated with

the implementation of a CWWCP. Implementation of the proposed CWWCP requires amendments to the Agriculture and the Conservation and Open Space Elements of the General Plan; amendments to Title 8 (Health and Sanitation Ordinance), Title 19 (Building and Construction Ordinance), and Title 22 (Land Use Ordinance) of the County Code; and amendment to Ordinance 3274 (the County Fee Schedule).

The specific components of the CWWCP are discussed in detail below. If your Board wishes to make any changes to the proposed Title 8, Title 19 or Ordinance 3274 County Fee Schedule amendments shown in Attachments 5 and 7 that are not typographical or clerical, re-introduction will be required at that time and final adoption at a subsequent hearing date.

Provided below is a table that summarizes which areas of the unincorporated County would be impacted by the two components [Water Neutral New Development (WNND) and Water Waste Prevention (WWP)] of the CWWCP.

Area of Impact	Water Neutral New Development (Titles 8, 19, & 22; Ag Element & COSE )		Water Waste Prevention (Title 8; Ag Element)	
	Ag Offset	Urban/Rural Offset	Ag Component	Urban/Rural Component
Countywide*	N/A	N/A	Best Management Practices/ Educational Efforts	Urban/Rural Water Waste Prevention Ordinance**
Los Osos	N/A	Existing 2:1 Offset - Plumbing Retrofits		
Nipomo Mesa	N/A	1:1 Offset - Cash for Grass		
Paso Basin	1:1 Offset - Ag Offset Clearance	1:1 Offset - Cash for Grass and Plumbing Retrofits		
*All programs and the provisions within are applicable to unincorporated areas of the County, not within any City				
** Except in areas where an equivalent program already exists				

**Background**

Water levels in groundwater basins and surface lakes and reservoirs throughout the County have been in decline for over a decade, and current “exceptional drought” has exacerbated this decline. Your Board declared three groundwater basins, Nipomo Mesa (part of Santa Maria Groundwater Basin), the Los Osos Groundwater Basin, and the Paso Robles Groundwater Basin (PRGWB), at Level of Severity (LOS) III, which indicates that groundwater demand has met or exceeded the dependable supply.

On August 27, 2013, your Board adopted Ordinance 3246, the PRGWB Urgency Ordinance (Urgency Ordinance), which required a 1:1 offset for new irrigated agriculture and new development dependent on a well in the PRGWB. On October 8, 2013, your Board voted to extend the Urgency Ordinance for a total of two years. The PRGWB Urgency Ordinance expired on August 27, 2015.

**Board Direction**

- On December 3, 2013, your Board directed the Planning and Building Department to submit a request for two limited term Planner I – III positions in order to implement the provisions of the Paso Robles Groundwater Basin Urgency Ordinance 3246, and to process a number of amendments to the County’s Land Use Ordinance and General Plan, without having impacts on existing services.
- On December 17, 2013, your Board approved 2.0 FTE Limited Term Planner positions. The 1.0 FTE Limited Term Planner position to implement the Urgency Ordinance was approved for a term of two years from the date of hire (set to expire December 17, 2015), to run concurrently with the effective date of the Urgency Ordinance. The 1.0 FTE Limited Term Planner position to process the amendments to the County’s Land Use Ordinance and the

General Plan was approved for a term of three years from the date of hire (set to expire December 17, 2016) in order to allow for the processing of the amendments (including outreach, environmental review and public hearings before both Planning Commission and your Board).

- On March 4, 2014, your Board authorized for processing various possible General Plan and Code amendments to develop and implement a CWWCP consisting of New Landscape Requirements, Retrofit-on-Sale, Water Waste Prevention, and Water Neutral New Development.
- On May 20, 2014, your Board further directed staff to include incentive based programs that could result in reduction of outdoor water use to the previously authorized processing of the County Water Conservation Ordinance.
- On February 3, 2015, your Board gave direction on the scope of specific program components associated with the development and implementation of a CWWCP, including direction to remove the Retrofit-on-Sale component.
- On February 24, 2015, your Board directed staff to develop an Agricultural Offset Program with requirements similar to the Agricultural Offset Program implemented under the PRGWB Urgency Ordinance.
- On July 21, 2015, your Board directed staff to defer the introduction of ordinances associated with the CWWCP and directed the Clerk to set said ordinances for public hearing and action after the Planning Commission had completed its review and had made a recommendation to the Board regarding all of the associated ordinances and General Plan amendments.
- On October 6, 2015, your Board introduced the ordinances for amendments to Title 8 and Title 19 of the County Code, and Ordinance 3274 (the County Fee Schedule) that are associated with the implementation of the CWWCP and directed the Clerk to set said ordinances (including amendments to the Agriculture Element and the Conservation and Open Space Element of the County General Plan; and amendments to Title 22) for public hearing and action on October 27, 2015. Your Board also authorized the use of Alternative Publication Procedure for the amendments associated with the CWWCP.

### **Planning Commission Recommendation**

The Planning Commission held full day public hearing study sessions on May 14, 2015, May 29, 2015, June 4, 2015, and July 30, 2015, and a half day on August 13, 2015 where they took public comment, and reviewed and provided comments on the proposed CWWCP. During those hearings the Commission reviewed and provided comments on both the Draft and Final Supplemental Environmental Impact Report (SEIR), which were prepared to analyze the potential environmental impacts associated with the implementation of the proposed CWWCP. The Commission also reviewed the proposed amendments to the Agriculture Element and the Conservation and Open Space Element of the General Plan; and the proposed amendments to Title 8 (Health and Sanitation Ordinance), Title 19 (Building and Construction Ordinance), and Title 22 (Land Use Ordinance) of the County Code. At the August 13, 2015 hearing, the Planning Commission made a recommendation that your Board implement the proposed CWWCP by taking the following actions:

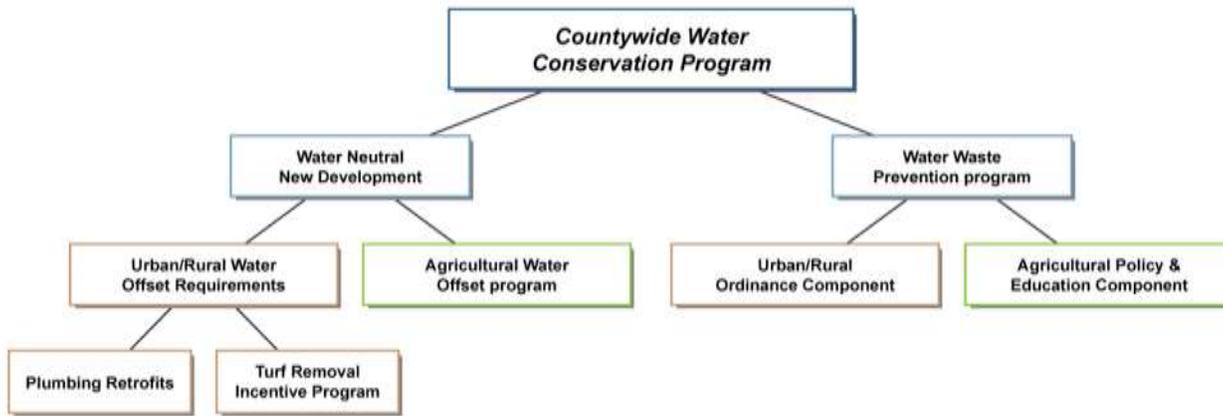
1. Certify the Final SEIR, including Appendices;
2. Adopt CEQA Findings;
3. Adopt amendments to the Agriculture Element and the Conservation and Open Space Element of the General Plan; and
4. Adopt amendments to Title 8 (Health and Sanitation Ordinance), Title 19 (Building and Construction Ordinance), and Title 22 (Land Use Ordinance) of the County Code.

The amendments recommended by the Planning Commission are provided in this staff report as Attachment1, Exhibits B, C, D, E, and F.

### **The Proposed CWWCP**

The primary objectives of the proposed CWWCP is to substantially reduce increases in groundwater extraction in areas that have been certified LOS III; provide a mechanism to allow new development and new or altered irrigated agriculture to proceed in certified LOS III areas (subject to the requirements of the County General Plan and County Code), in a manner that fully offsets projected water use; and reduce wasteful use of water in the county.

The CWWCP is comprised of two components, WNND and WWP. The figure below shows the individual components of the Program.



**CWWCP Component #1: Water Neutral New Development**

Water neutral development means that any new water use will be offset through water savings from within the same water source. The WNND component is intended to serve as an interim measure to substantially reduce increases in groundwater extraction and the lowering of groundwater levels in certified LOS III groundwater basins until the adoption of a Groundwater Sustainability Plan occurs prepared pursuant to the Sustainable Groundwater Management Act (SGMA) enacted by the State of California.

**Urban/Rural Water Conservation Offset (Urban/Rural Water Offset)**

The WNND component requires that all new urban and rural development offset new water use at a minimum 1:1 ratio in all groundwater basins currently certified at Level of Severity (LOS) III by the Board of Supervisors (the Urban/Rural Water Offset). The three areas of the county that are currently certified at LOS III for water supply are the PRGWB, the Los Osos Groundwater Basin, and the Nipomo Mesa Water Conservation Area (NMWCA). Although the Los Osos Groundwater Basin is certified at LOS III, the proposed provisions are only applicable to the PRGWB and the NMWCA, because there are already offset requirements in place in the Los Osos Groundwater Basin and current requirements for development within the Los Osos Groundwater Basin exceed the proposed water conservation efforts.

Urban/Rural Water Offset requirements would be implemented through two primary methods to generate offset credits: plumbing retrofits and a turf removal incentive program.

***Method #1: Plumbing Retrofit Program***

One of the ways in which an applicant may meet the 1:1 offset requirement established by the WNND is through the proposed voluntary plumbing retrofit program. Plumbing retrofits are proposed because retrofitting plumbing fixtures in existing buildings results in measurable water savings. Specifically, replacing older, higher water-using toilets and showerheads with more efficient fixtures will save specific amounts of water each day. For example, replacing a 3.5 gallon-per-flush (gpf) toilet with a 1.28 gpf toilet will save 2.22 gallons with every flush. Replacing toilets and showerheads is the most reliable way to achieve water savings. The County will contract with a private firm to operate the plumbing retrofit program. The contractor will perform retrofits using a licensed plumber, establish a virtual retrofit credit bank, and track retrofit credit deposits and withdrawals. The details of the retrofit program are included in Attachment 1, Exhibit H. The retrofit program would apply primarily to the PRGWB, but it would affect the existing plumbing retrofit programs already in place for the other basins as follows:

- No change will be made to the existing plumbing retrofit program in the area overlying the Los Osos Groundwater Basin;
- The retrofit-on-sale program would remain in effect in the NMWCA. Since new development in the NMWCA will have to be water neutral, the requirement for new development to pay into a water conservation fund would be replaced by a requirement to verify that new water use has been offset at a 1:1 ratio, either through plumbing retrofits, participation in a turf removal incentive programs, or participation in an approved program or project administered by the NCSA. The logistics of exactly how this program will align with current NCSA requirements is still being assessed.

***Method #2: Turf Removal Incentive Program (Cash for Grass)***

The proposed turf removal incentive program (also known as Cash for Grass) would apply in the NMWCA and PRGWB

because outdoor water use accounts for the majority of residential water use in those areas. Removing turf or other water intensive landscaping can save water.

The proposed Cash for Grass program would offset the water use associated with urban/rural new development by offering cash incentives for property owners to replace existing turf with low-water demand landscaping. Although many water providers administer similar turf removal incentive programs throughout the state, this program would be unique in that the County would use the generated water savings as an offset credit that could be purchased by developers to comply with offset requirements associated with their proposed new development within specific urban/rural areas. Verifying that water savings are achieved would be accomplished through use of standard water savings calculations for landscaping and by inspections at the time of new landscaping installation to verify turf removal and replacement with low-water use landscaping. The details of the turf removal incentive program (also known as Cash for Grass) are included in Attachment 1, Exhibit I.

#### Agricultural Water Conservation Offset Program

The WNND component requires that within the PRGWB only, all new or more intensively irrigated agriculture offset new water use at a minimum 1:1 ratio. The WNND component irrigated agriculture offset requirement would be implemented by an Agricultural Offset program.

The intent of the Agricultural Offset program is to minimize further depletion of groundwater levels in the PRGWB. The proposed Agricultural Offset program provides a formal framework for the transfer of offset credits to/from agricultural operations within the PRGWB. The Agricultural Offset program specifically applies to crop conversions, new irrigated agriculture, and any outdoor uses (beyond typical landscaping associated with allowable land uses) that are not regulated by a proposed Urban/Rural Water Conservation Offset requirement.

The PRGWB Urgency Ordinance and the program developed by the Upper Salinas-Las Tablas Resource Conservation District (RCD), as directed by the Board, were used as a foundational model for the development of the proposed Agricultural Offset requirement. The proposed Agricultural Offset requirement differs from the version developed by the RCD in that it does not require a proximity analysis, well impact analysis, or third party monitoring. The proposed Agricultural Offset requirement does require deed restrictions and verification of well meter installation. The Agricultural Offset requirement includes a sunset provision upon adoption of a Groundwater Sustainability Plan prepared pursuant to the Sustainable Groundwater Management Act (SGMA).

Implementation of the proposed Agricultural Offset requirement specially requires amendments to Title 22 (Land Use Ordinance) and Title 8 (Health and Sanitation Ordinance) of the County Code, as well as the amendments to policies and implementation strategies identified in the Agricultural Element and the Conservation and Open Space Element of the General Plan.

#### **CWWCP Component #2: Water Waste Prevention**

The Water Waste Prevention (WWP) component of the CWWCP is comprised of two elements: 1) an ordinance prohibiting certain uses of water deemed to meet the definition of water wasting in urban and rural areas, and 2) policy clarifications that would identify a series of best management practices (BMPs) aimed at reducing water waste and increasing water use efficiency in agricultural operations.

The intent of the Water Waste Prevention (WWP) component is to develop, implement, and/or encourage behavioral measures that will result in improved water conservation efforts for urban/rural land uses and agricultural operations.

#### Urban/Rural Water Waste Prevention

The ordinance element of the WWP component would prohibit certain activities defined as water wasting. Some examples of water waste are excessive irrigation of landscaping, washing of hard or paved surfaces, and excessive runoff. The ordinance element would apply to all existing and proposed urban/rural development within the unincorporated areas of the county where a water purveyor does not already have a similar ordinance (or other comparable program) in place. Examples of prohibited activities in urban/rural areas include:

- Application of water to outdoor landscapes in a manner that results in runoff into non-irrigated areas, public and private walkways, roadways, parking lots, structures or other hard surface areas
- Use of a hose to wash an automobile or other vehicle except where the hose is fitted with an automatic shut off nozzle or device attached to it that causes it to cease dispensing water when not in use

- Application of water to hard surfaces, including but not limited to, driveways, sidewalks, unpaved walkways and any other hard surface areas
- Use of potable water in a fountain or other decorative water feature unless such water flows through a recirculating system
- Application of water to outdoor landscape more than 3 times per week

Implementation of this ordinance element of the WWP component requires amendment to Title 8 (Health and Sanitation Ordinance) of the County Code.

#### Agricultural Water Waste Prevention

The policy clarifications of the WWP component include provisions to reduce agricultural water waste. The policy provisions are limited to expansion/clarification of existing policies and implementation measures that have already been established in the Agriculture and Conservation and Open Space Elements of the General Plan. The proposed policy clarifications include best management practices as well as the implementation of an educational outreach program. Examples of best management practices for efficient agricultural water use in different types of agricultural operations include:

- Increased adoption of crop water status monitoring, such as soil moisture monitoring technology.
- More precise irrigation scheduling
- Enhanced irrigation monitoring practices
- Use of a tail water return system for any surface water application
- Use of covers or other evaporation reducing systems for agricultural irrigation ponds
- Use of wind machines for frost protection, rather than overhead sprinklers, where feasible

The educational outreach requirements would be achieved through an educational outreach program for parties interested in learning about how agricultural operations use water, why certain practices that use water may be necessary, and strategies for improving water efficiency. One implementation method could be a website developed to educate the public on agricultural water use as well as to provide the agricultural industry with a clearinghouse for access to information about the newest water-efficient practices. Information regarding best management practices will be distributed to agriculturalists during the existing pesticide permit and operator identification number issuance processes.

#### **Proposed Amendments**

The following discussion summarizes all of the proposed amendments that are necessary for the implementation of the CWWCP described above. The full text of the proposed amendments to the Agriculture Element and the Conservation and Open Space Element of the County General Plan are shown in Attachment 1, Exhibits B and C, and are shown with legislative changes in Attachments 2 and 3; proposed amendments to Title 8, Title 19, and Title 22 are shown in Attachment 1, Exhibits D, E, and F, and are shown with legislative changes in Attachments 4, 5, and 6; and proposed changes to Ordinance 3274 (the County Fee Schedule) are shown in Attachment 1, Exhibit G. Your Board will consider a resolution establishing the CWWCP, which includes all of the proposed amendments. The full text of the proposed resolution is shown in Attachment 1.

#### Amendments to Agriculture Element of the County General Plan

The proposed amendments to the Agriculture Element of the General Plan, Agricultural Goal – AG1 (Support County Agricultural Production) eliminates an exemption for agricultural practices and improvements for the PRGWB (excluding the Atascadero Sub-basin). With the amendment, agricultural practices and improvements in the PRGWB (excluding the Atascadero Sub-basin) would not be exempt from permit requirements. However, exemptions identified in AG1 could still be applied to all other applicable agricultural practices and improvements within the other unincorporated areas of the County.

The proposed amendments to the Agricultural Policy – AGP10 (Water Conservation) identify special conservation measures to address the unique issues within the PRGWB by requiring new agricultural water use in the PRGWB (excluding the Atascadero Sub-basin) to be offset through a water offset program; encouraging farmers to use best management practices; and clarifying that educational efforts regarding agricultural water conservation should be directed at farmers and the general public through a variety of methods (i.e., online or printed materials expansion of the “Ag in the Classroom” program, farm tours, etc.).

The proposed amendments to the Agricultural Policy – AGP11 (Agricultural Water Supplies) requires that all groundwater users within the PRGWB (excluding the Atascadero Sub-basin) conserve water through programs tied to permit

applications. See Attachment 1, Exhibit B.

#### Amendments to Conservation and Open Space Element of the County General Plan

The proposed amendments to the Conservation and Open Space Element, Water Resource Policy – WR 1.7 (Agricultural Operations) require the establishment of groundwater management strategies (including adjudications) for all groundwater uses within certified Level of Severity (LOS) II or III groundwater basins in addition to other groundwater management strategies that give priority to agricultural operations.

The proposed amendments to the Conservation and Open Space Element, Water Resources Implementation Strategy – WR 1.7.1 (Protect agricultural water supplies) adds water offset programs for all types of proposed development as land use standards that should be considered for adoption as an approach to protect agricultural water supplies.

The proposed amendments to the Conservation and Open Space Element, Water Resources Policy – 1.14 (Avoid net increase in water use) identify implementation of water offset programs for all groundwater users as a means to avoid net increase in water use in groundwater basins that are certified at Level of Severity (LOS) II or III. See Attachment 1, Exhibit C.

#### Amendments to Title 8 (Health and Sanitation Ordinance) of the County Code

Under the amendments to Title 8, Section 8.40.030 and 8.40.040, an applicant for a new well to serve new or expanded irrigated crop production in the PRGWB (excluding the Atascadero Sub-basin) must demonstrate that they have already met the requirements for new irrigated agriculture contained in Title 22. The initial compliance with the provisions set forth for an Agricultural Offset Clearance, as required under Title 22, Chapter 22.30.204 would serve as evidence of compliance. The amendments to Title 8, Section 8.40.030 and 8.40.040 ensure consistency within the County Code and interdepartmental procedures. See Attachment 1, Exhibit D.

The proposed addition to Title 8 (Health and Sanitation Ordinance), Chapter 8.69 of the County Code, is a Water Waste Prevention Ordinance. If adopted, this ordinance will prohibit certain wasteful uses of water in the unincorporated areas of the County where comparable requirements are not already enforced. Prohibited uses include certain requirements for: watering with a hose, watering of lawns and landscaping, maintaining plumbing fixtures, washing vehicles, refilling or overfilling swimming pools and/or spas, use of decorative fountains, serving water at public restaurants, washing towels and linens at hotels, use of water for dust control in construction activities, and water use in wineries.

#### Amendments to Title 19 (Building and Construction Ordinance) of the County Code

The proposed amendments to Title 19 (Building and Construction Ordinance) Section 19.07.42 (Water Conservation Provisions) of the County Code require that all new construction that overlies or uses water from the PRGWB (excluding the Atascadero Sub-basin) or the NMWCA shall offset new water use at a 1:1 ratio. The amendments include multiple methods to offset new water use. In the PRGWB (excluding the Atascadero Sub-basin), applicants can purchase offset credits that will be generated through two County Approved Water Conservation Programs: the Cash for Grass Program and the Plumbing Retrofit Program. In the NMWCA, applicants can purchase offset credits from only one County Approved Water Conservation program, the Cash for Grass Program. Alternatively, applicants in both the PRGWB and the NMWCA may provide evidence showing water saved through applicant performed retrofits, which would be verified by the County.

The proposed amendments to Title 19 (Building and Construction Ordinance) Section 19.07.42 of the County Code, also requires the installation of a well meter on any new or existing well serving new development that overlies the PRGWB (excluding the Atascadero Sub-basin) or the NMWCA. The well meter must be read on a monthly basis and records must be maintained by the property owner. See Attachment 1, Exhibit E.

#### Amendments to Title 22 (Land Use Ordinance) of the County Code

The proposed amendments to Title 22 (Land Use Ordinance) Section 22.06.030 (Permit Requirements by Land Use Category) and Chapter 22.06.040 (Exemptions from Land Use Permit Requirements) of the County Code, requires an Agricultural Offset Clearance for new or expanded irrigated crop production that overlies the PRGWB (excluding the Atascadero Sub-basin).

The proposed amendments to Title 22 (Land Use Ordinance), which add Chapter 22.30.204 (New or Expanded Irrigated Crop Production Overlying the PRGWB, Excluding the Atascadero Sub-basin) to the County Code, requires compliance with Agricultural Offset Clearance requirements prior to the initiation or establishment of new or expanded irrigated crop production and prior to the issuance of a well permit for the construction, repair, or modification of a water well (bore hole,

casing, or packing) or establishment of a water system for the purpose of serving any new or expanded irrigated crop production overlying the PRGWB (excluding the Atascadero Sub-basin). The proposed amendment allows new irrigated crop production within certain areas overlying the PRGWB (excluding the Atascadero Sub-basin) while protecting the critical resource of groundwater. See Attachment 9 for additional considerations regarding efficiency exemptions.

The proposed amendments to Title 22 (Land Use Ordinance) Section 22.30.310 (Nursery Specialties) require compliance with the Agriculture Offset Clearance prior to the establishment or expansion of any nursery use overlying the PRGWB (excluding the Atascadero Sub-basin). The proposed amendment allows for the establishment of new or expanded nursery uses overlying the PRGWB (excluding the Atascadero Sub-basin) while protecting the critical resource of groundwater.

The proposed amendments to Title 22 (Land Use Ordinance) Section 22.62.030 (Zoning Clearance) include the Agricultural Offset Clearance as a ministerial permit. The proposed amendment authorizes the Planning and Building Department to process and approve an Agricultural Offset Clearance through a ministerial permit process, no Planning Commission or Board of Supervisor hearing is required.

The proposed amendment to Title 22 (Land Use Ordinance) Section 22.80.030 (Definitions) defines the meaning of the terms "Agricultural Offset Clearance" and "New or Expanded Irrigated Crop Production". See Attachment 1, Exhibit F.

#### Amendments to the County Fee Schedule (Ordinance 3274)

Implementation of the water offset requirements proposed as part of the CWWCP will require augmentation to Schedule B of the County Fee Schedule (Ordinance 3274) for Fiscal Year 2015-2016. The proposed new fees are shown in Attachment 1, Exhibit G. The existing County Fee Schedule B can be accessed online at <http://www.slocounty.ca.gov/admin/Resources/countyfee>.

The PRGWB Agricultural Offset Clearance Fee will be required at issuance of an Agricultural Offset Clearance. An Agricultural Offset Clearance is required under the proposed amendments to Title 22 for new or expanded irrigated crop production that overlies or uses water from the PRGWB (excluding the Atascadero Sub-basin). This fee covers staff time for review of applications, any necessary inspections, and engaging in other activities (e.g. parcel history research, consultation with other agencies, GIS mapping/updates, preparation of legal documents, etc.) required for the issuance of an Agricultural Offset Clearance. The Planning and Building department used a time and motion study based on an average hourly rate to determine the amount of this fee.

The Well Meter Inspection Fee for PRGWB and NMWCA is a Public Works fee for the verification and inspection of well meter installation. Verification of well meter installation is required as part of the Water Neutral New Development requirements for both new urban/rural development and new or expanded irrigated crop production that overlies or uses water from the PRGWB (excluding the Atascadero Sub-basin) or the NMWCA, as required under the proposed the amendments to Title 19 and Title 22. The Public Works Department used a time and motion study based on an average hourly rate to determine the amount of this fee. These proposed amendments to the County Fee Schedule (Ordinance 3274) are necessary in order to implement the Water Neutral New Development component of the proposed CWWCP.

#### **Amendment to the Department Position Allocation List**

Based on direction from your Board regarding the adoption of the proposed CWWCP and the associated amendments, the staffing needs associated with the implementation of the program will be impacted. There are currently two limited term planner I-III positions allocated to the implementation of the provisions of the Urgency Ordinance (which expired on August 27, 2015) and the processing of amendments associated with the development of a CWWCP. One of the allocated limited term planner I-III positions is set to expire on December 17, 2015, and the other will expire on December 17, 2016. Funding for one of the positions currently comes from the San Luis Obispo Flood Control District and one is funded from the General Fund. As proposed, the Water Neutral New Development (WNND) offset requirements that are applicable to properties that overly the PRGWB (excluding the Atascadero Sub-basin) have a sunset provision upon adoption of a Groundwater Sustainability Plan (GSP), prepared pursuant to the Sustainable Groundwater Management Act (SGMA). SGMA requires that all basins in critical overdraft, this includes the PRGWB, shall have a GSP developed by January 31, 2020. Therefore, adequate staffing needs to be available to implement the WNND offset requirements without having impacts to existing services. To address this short term staffing need, staff is recommending an amendment to the Position Allocation List to extend the term of the existing limited term planner I-III position that is set to expire on December 17, 2015 for an additional four years (proposed expiration date is December 31, 2019) in order to ensure that adequate staffing is available for the implementation of the WNND offset requirements until a GSP has been adopted for the PRGWB. See Attachment 10 for the Position Allocation resolution.

As proposed, the WNND offset requirements that are applicable outside of the PRGWB (applicable to Los Osos and Nipomo Mesa) and the Water Waste Prevention (WWP) requirements that are applicable countywide do not have a sunset provision. Therefore, adequate staff needs to be available indefinitely in order to implement those requirements without having impacts to existing services. To address this long term staffing need, the department will monitor workload over the next year and request staffing changes as part of the budget process. to ensure adequate staffing is available for the implementation of the associated requirements and programs.

The two Limited Term Planner positions will be responsible for the overall development, implementation, and management of the Countywide Water Conservation Program and all other applicable requirements (i.e., Ag Offset and SGMA compliance) and sub-programs (i.e., Plumbing Retrofit and Cash for Grass programs).

Program Scope for the PRGWB (Set to Expire Upon the Established Sunset Clause):

- Implementation and management of the WNND offset requirements areas overlying the PRGWB (excluding the Atascadero Sub-Basin)
- Development, implementation and management of the Plumbing Retrofit program for areas overlying the PRGWB
- Development, implementation and management of the Turf Removal Incentive program (also known as Cash for Grass) for areas overlying the PRGWB
- Assist the Water Resources Division of the Public Works Department with the development of SGMA compliance strategies
- Develop and maintain GIS mapping of all Ag Offset Clearances
- Assist with the investigate/research all Ag Offset requirement Code Enforcement complaints
- Community Outreach/Education
- Respond to public information request

Program Scope for Los Osos Basin and Nipomo Mesa Water Conservation Area (Permanent Programs):

- Implementation and management of the WNND offset requirements overlying the Los Osos Groundwater Basin and the Nipomo Mesa Water Conservation Area (this is a permanent program that will need to be operated beyond the sunset date of the program overlying the PRGWB)
- Development, implementation and management of the Plumbing Retrofit program for areas overlying the Los Osos Groundwater Basin (this is a permanent program that will need to be operated beyond the sunset date of the program overlying the PRGWB)
- Development, implementation and management of the Turf Removal Incentive program (also known as Cash for Grass) for areas overlying the Nipomo Mesa Water Conservation Area (this is a permanent program that will need to be operated beyond the sunset date of the program overlying the PRGWB)
- Develop and maintain GIS mapping of all Plumbing Retrofit program recipients
- Develop and maintain GIS mapping of all Cash for Grass program recipients
- Development, implementation and management of the requirements for compliance with the Urban/Rural Water Waste Prevention Ordinance
- Assist with the investigate/research all water waste prevention Code Enforcement complaints
- Community Outreach/Education
- Respond to public information request

Key outcomes of this request include the assurance that SGMA compliance will be achieved, and creation of adequate staffing to support the efficient and effective implementation and management of the Countywide Water Conservation Program without having impacts to existing services consistent with the County's goal of promoting a healthy, livable and prosperous community, resulting in a well governed community.

### **Environmental Review**

The proposed CWWCP was analyzed in a Final Supplemental Environmental Impact Report (FSEIR). The FSEIR was prepared as a supplement to the previously certified Environmental Impact Report for the Conservation and Open Space Element of the County General Plan (SCH#2008031091). The FSEIR addresses potential impacts on: Agricultural Resources and Land Use. Potentially significant but mitigatable impacts were identified. The prescribed mitigation measures to address those impacts have been incorporated into the aforementioned amendments to the County Code

and the County General Plan, which are being proposed in order to implement the proposed CWWCP. The FSEIR is available for review at the Clerk Recorder's Office and online at <http://www.slocounty.ca.gov/planning/water-amendments/environmental-review.htm>. See Attachment 7.

Prior to your Board taking any action on the proposed CWWCP (including the associated amendments provided in Attachments 1, Exhibits B, C, D, E, F, and G) the Board must certify the following: a) the FSEIR has been completed in compliance with CEQA; b) the FSEIR was presented to the decision making body of the lead agency; and c) the decision making body reviewed and considered the information in the FSEIR prior to approving a project. If your Board, acting as the lead agency certifies the FSEIR, then your Board may proceed with the following actions: a) disapprove the project because of its significant environmental effects; b) require changes to the project to reduce or avoid significant environmental effects; c) approve the project despite its significant environmental effects, if the proper findings and statement of overriding considerations are adopted.

#### Notice of Preparation / Public Scoping

The County of San Luis Obispo prepared a Notice of Preparation (NOP) for an environmental impact report and distributed the NOP for agency and public review for the required 30-day review period from August 15, 2014 to September 17, 2014. During that time, the County received six comment letters from public agencies and other commenters. The NOP, the Initial Study and the comment letters received on the NOP and Initial Study are included in Appendix A, of the Final SEIR.

A public scoping meeting was held on August 27, 2014. The intent of the scoping meeting was to provide interested individuals, groups, public agencies and others a forum to provide input in an effort to assist in further refining the intended scope and focus of the EIR.

#### Draft Supplemental Environmental Impact Report

The Draft Supplemental Environmental Impact Report (DSEIR) and its corresponding Notice of Availability were released for public and agency review on March 31, 2015. The public review/comment period on the DSEIR is 45 days, and concluded at the close of the business day on Friday, May 15, 2015. During this period, a comment was received that alerted staff to a concern that the Notice of Availability was not properly posted in the County Clerk's Office. In response to that concern, the public review/comment period was reopened for another 45 days beginning on May 22, 2015 and closed on July 6, 2015. A total of 22 written comments were received during the combined public review/comment periods. During the public review/comment period the Planning Commission held three hearings that also served as public meetings on the contents and conclusions of the DSEIR.

#### Final Supplemental Environmental Impact Report

The Final Supplemental Environmental Impact Report (FSEIR) was prepared following the close of the public review/comment period and was released on July 16, 2015. The FSEIR includes: a) the DSEIR; b) copies of comments received during the combined public review/comment periods; c) list of persons and entities commenting; and d) responses to comments.

#### Identified Impacts and Mitigation Measures

The Final SEIR identified four issue areas related to Agricultural Resources and Land Use. Only one impact was determined to be significant but mitigable, all other impacts were determined to be less than significant. Impact AG-3, which identified that implementation of the CWWCP could result in the fallowing of lands under Williamson Act contract and conflict with the provisions of Williamson Act contract was determined to be significant but mitigable. Mitigation Measure AG-3, requiring sending sites providing planting credits shall remain consistent with the provisions of any existing Williamson Act contract for the property and County Of San Luis Obispo Rules Of Procedure To Implement The California Land Conservation Act Of 1965 has been incorporated into the proposed Program.

#### Alternatives

As required by CEQA, the Final SEIR examines a range of alternatives to the proposed Program. The studied alternatives included the following: 1) No Project Alternative; 2) Larger Offset Requirement; 3) Expanded Agricultural Offset Program; and 4) Altered Sunset Provisions. Based on the analysis in the Alternatives section of the Final SEIR, the Altered Sunset Provisions Alternative is potentially the most environmentally superior alternative if downgrading a LOS III certified basin to LOS I or LOS II is applied as the sunset scenario.

## **OTHER AGENCY INVOLVEMENT/IMPACT**

The proposed amendments were referred to all applicable Community Advisory Councils, Community Advisory Committees, and Community Service Districts. The Planning Commission reviewed, provided input, and made a recommendation that your Board adopt the proposed amendments following the conclusion of a series of public hearing study sessions that were held on May 14, 2015, May 29, 2015, June 4, 2015, July 31, 2015, and August 13, 2015. Planning staff consulted with the County Departments of Agriculture/ Weights and Measures, Environmental Health, and Public Works to clarify implementation procedures for the new well permit requirements contained in Title 8 (Health and Sanitation Ordinance) Section 8.40.030 and Section 8.40.040, and the Agricultural Offset Clearance requirement for the PRGWB (excluding the Atascadero Sub-basin) contained in Title 22 (Land Use Ordinance) Section 22.30.204. Public Works and County Administration were involved in the discussion regarding

The Auditor's Office reviewed the proposed amendments to the County Fee Schedule. Human Resources prepared the resolution to amend the Position Allocation List. County Counsel has reviewed the proposed amendments as to their form and legal effect.

## **COMMUNITY OUTREACH/INVOLVEMENT**

Since March 2014, the Planning and Building Department has put forth an extensive community outreach effort in order to provide the public with opportunities to be engaged in the process of developing the proposed CWWCP. A detailed list of outreach and noticing events is provided in Attachment 8. Outreach efforts have included, but have not been limited to the following:

- In depth presentations at public and private community meetings held throughout the County
- Monthly attendance at full member and subcommittee meetings held by the Water Resources Advisory Committee, Paso Basin Advisory Committee, Agricultural Liaison Advisory Board, South County Advisory Council, Los Osos Community Advisory Council, Santa Margarita Area Advisory Council, and the Templeton Area Advisory Group
- Consultation with UC Cooperative Extension
- Attendance at meetings of the Nipomo Community Service District
- In depth presentations to the Farm Bureau, the Home Builders Association, the Paso Wine Country Alliance, and the Coalition of Labor Agriculture & Business.
- Participated in tours of farm and winery operations throughout the County
- Participated in the Paso Basin Open House event
- Maintained and regularly updated a web page dedicated informing the public about the proposed CWWCP
- Provided email status updates to hundreds of interested parties
- Distributed Press Releases regarding the process and upcoming Board of Supervisor hearing dates
- Conducted an extensive countywide social media outreach campaign

## **FINANCIAL CONSIDERATIONS**

The estimated annual cost associated with the implementation of the CWWCP is \$214,168. This includes the cost of two planner positions including salary, benefits, services and supplies. The costs associated with the implementation would be partially recovered through the fees proposed in the amendment to the County Fee Schedule (Attachment 1, Exhibit G).

If the proposed amendments associated with the proposed CWWCP are approved, the Department is requesting the PAL be amended to extend the limited-term Planner I-III position, set to expire December 17, 2015, for an additional four years in order to implement the requirements of the Water Neutral New Development and Water Waste Prevention components of the proposed CWWCP without having impacts to existing services. This position was budgeted for a full fiscal year and the extension would not require a budget adjustment. The estimated annual position cost is \$107,084 including salary, benefits, services, and supplies.

## **RESULTS**

If adopted, the proposed amendments would become effective November 26, 2015, with the exception of the amendment to Ordinance 3274 (the County Fee Schedule) which would become effective December 26, 2015. Any fee modifications that the Board approves prior to December 26, 2015 would remain in effect until the effective date of amendment to Ordinance 3274. The proposed CWWCP is consistent with the County's goal of promoting a healthy, livable and prosperous community.

## **ATTACHMENTS**

1. Attachment 1 - Resolution for Countywide Water Conservation Program
2. Exhibit A - CEQA Findings
3. Exhibit B - Amendment to Agricultural Element
4. Exhibit C - Amendment to Conservation and Open Space Element
5. Exhibit D - Amendment to Title 8
6. Exhibit E - Amendment to Title 19
7. Exhibit F - Amendment to Title 22
8. Exhibit G - Amendment to Ordinance 3274
9. Exhibit H - Plumbing Retrofit Program
10. Exhibit I - Cash for Grass Rebate Program
11. Attachment 2 - Amendment to Agriculture Element (Legislative Changes)
12. Attachment 3 - Amendment to Conservation and Open Space Element (Legislative Changes)
13. Attachment 4 - Amendment to Title 8 (Legislative Changes)
14. Attachment 5 - Amendment to Title 19 (Legislative Changes)
15. Attachment 6 - Amendment to Title 22 (Legislative Changes)
16. Attachment 7 - Final Supplemental Environmental Impact Report (Clerk Filed)
17. Attachment 8 - Countywide Water Conservation Program Outreach and Noticing
18. Attachment 9 - Additional Considerations Regarding Efficiency Exemptions
19. Attachment 10 - Resolution to Amend the Position Allocation List for Fiscal Year 2015/16